NUINSCO RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007

Management's Comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Nuinsco Resources Limited for the three and nine months ended September 30, 2007 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

NUINSCO RESOURCES LIMITED
CONSOLIDATED BALANCE SHEETS
(in thousands of Canadian dollars)

	September 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current		
Cash and cash equivalents	**$ 3,223**	$ 20,045
Cash for exploration expenditures	**5,339**	-
Due from Victory Nickel Inc. (Note 10)	**511**	-
Marketable securities (Notes 4 and 5)	**5,424**	2,976
Accounts receivable (Note 5)	**218**	105
Prepaid expenses and deposits	**54**	199
Total Current Assets	**14,769**	23,325
Investment in Victory Nickel Inc. (Note 3)	**4,153**	-
Convertible Debenture of Campbell Resources Inc. (Note 5)	**2,000**	-
Exploration Advances	**-**	1,368
Exploration and Development Projects (Note 6)	**5,852**	8,483
Property and Equipment	**133**	61
Other Deferred Costs (Note 3)	**-**	377
	$ 26,907	$ 33,614
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Deferred revenue	**$ -**	$ 113
Accounts payable and accrued liabilities	**656**	1,318
Convertible notes – current portion (Note 10)	**-**	200
Total Current Liabilities	**656**	1,631
Shareholders' Equity (Note 7)		
Share capital	**90,645**	83,887
Stock option compensation	**1,443**	1,458
Share purchase warrants	**150**	348
Contributed surplus	**1,234**	1,233
Deficit	**(69,053)**	(54,943)
Accumulated other comprehensive income (Note 8)	**1,832**	-
Net Shareholders' Equity	**26,251**	31,983
	$ 26,907	$ 33,614

Nature of Operations (Note 1)
Corporate Reorganization and Formation of Victory Nickel Inc. (Note 3)

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(unaudited - in thousands of Canadian dollars, except per share amounts)

	Three Months Ended September 30, 2007	2006	Nine Months Ended September 30, 2007	2006
Revenue and Other Income				
Consulting fees (Note 5)	**$ 153**	$ 215	**$ 554**	$ 390
Interest income	**132**	50	**423**	88
Gain on sale of marketable securities	**-**	558	**-**	2,305
Other	**50**	50	**50**	55
	335	873	**1,027**	2,838
Costs and Expenses				
General and administrative (Note 10)	**306**	175	**1,132**	1,322
Stock option compensation	**8**	266	**49**	266
Amortization	**5**	3	**13**	8
Writedown of marketable securities	**-**	168	**-**	168
Writedown of exploration and development projects (Note 6)	**26**	227	**45**	227
	345	839	**1,239**	1,991
(Loss) Income Before the Undernoted	**(10)**	34	**(212)**	847
Share of Loss of Equity -Accounted Investee (Note 3)	**(86)**	-	**(444)**	-
(Loss) Income Before Income Taxes	**(96)**	34	**(656)**	847
Income Tax Recoveries (Note 7)	**-**	-	**(337)**	(1,859)
(Loss) Net Income for the Period	**(96)**	34	**(319)**	2,706
Deficit, Beginning of the Period	**(68,957)**	(54,484)	**(54,943)**	(57,156)
Distribution of Net Assets on Formation of Victory Nickel Inc. (Note 3)	**-**	-	**(13,791)**	-
Deficit, End of the Period	**$ (69,053)**	$ (54,450)	**$ (69,053)**	$ (54,450)
Income Per Share – Basic and Diluted	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.02
Weighted Average Common Shares Outstanding	**168,005,000**	111,666,000	**163,025,000**	108,880,000

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited - in thousands of Canadian dollars)

	Three Months Ended September 30, 2007	2006	Six Months Ended September 30, 2007	2006
(Loss) Net Income for the Period	**$ (96)**	$ 34	**$ (319)**	$ 2,706
Other Comprehensive (Loss) Income (Note 8)	**(65)**	**-**	**1,021**	**-**
Comprehensive (Loss) Income for Period	**$ (161)**	$ 34	**$ 702**	$ 2,706

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
Cash From (Used By) Operating Activities	**2007**	2006	**2007**	2006
(Loss) net income for period	**$ (96)**	$ 34	**$ (319)**	$ 2,706
Items not affecting cash:				
Expenses settled through issuance of shares or warrants	**-**	-	**-**	291
Consulting fees received in marketable securities	**(78)**	(140)	**(329)**	(265)
Stock option compensation	**8**	266	**49**	266
Other stock-based compensation	**35**	-	**135**	-
Gain on sale of marketable securities	**-**	(558)	**-**	(2,305)
Amortization	**5**	3	**13**	8
Write-down of exploration and development projects	**26**	227	**45**	227
Writedown of marketable securities	**-**	168	**-**	168
Share of loss of equity-accounted investee	**86**	-	**444**	-
Income tax recoveries	**-**	-	**(337)**	(1,076)
Changes in non-cash working capital (Note 9)	**(262)**	(330)	**(639)**	(349)
Cash used by operating activities	**(276)**	(330)	**(938)**	(329)
Financing Activities				
Deferred share issue costs	**-**	(132)	**-**	(177)
Issue of common shares	**58**	120	**6,499**	1,518
Cash from (used by) financing activities	**58**	(12)	**6,499**	1,341
Investing Activities				-
Investment in Campbell Resources Inc. (Note 5)	**(400)**	-	**(400)**	-
Advances to Campbell Resources Inc. (Note 5)	**-**	-	**(2,000)**	-
Sale of marketable securities	**-**	608	**-**	2,567
Reimbursement of deferred costs (Note 3)	**-**	-	**377**	-
Long-term receivables	**-**	250	**-**	750
Additions to exploration and development projects	**(231)**	(1,232)	**(2,268)**	(3,115)
Additions to equipment	**(4)**	(9)	**(85)**	(15)
Cash from (used by) investing activities	**(635)**	(383)	**(4,376)**	187
Cash Distributed on Formation of Victory Nickel Inc. (Note 3)	**-**	-	**(12,668)**	-
Net (Decrease) Increase in Cash During Period	**(853)**	(725)	**(11,483)**	1,199
Cash and Cash Equivalents, Beginning of Period	**9,415**	4,574	**20,045**	2,650
Cash and Cash Equivalents, End of Period	**$ 8,562**	$ 3,849	**$ 8,562**	$ 3,849
Cash and Cash Equivalents, End of Period				
Cash and Cash Equivalents	**$ 3,223**	$ 3,658	**$ 3,223**	$ 3,658
Cash for Exploration Expenditures	**5,339**	191	**5,339**	191
	$ 8,562	$ 3,849	**$ 8,562**	$ 3,849

NUINSCO RESOURCES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2007 (unaudited)
(all tabular amounts are in thousands of Canadian dollars)

1. Basis of Presentation

The unaudited interim consolidated financial statements of the Company are prepared by management using Canadian generally accepted accounting principles for interim financial statements and reflect the accounting principles in the notes to the Company's audited financial statements for the year ended December 31, 2006 (with the exception of the changes in account policies set out in Note 4 below) and accordingly should be read in conjunction with those annual financial statements and the notes thereto. The accompanying unaudited interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations and cash flows for the current period are not necessarily indicative of the results to be expected for the full year.

2. Nature of Operations

The Company is primarily engaged in the acquisition, exploration and development of properties for the mining of precious and base metals in Canada and Turkey. The Company conducts its activities on its own or participates with others on a joint venture basis.

As a development stage enterprise, none of the Company's exploration or development projects have commenced commercial production and accordingly the Company historically has been dependent upon debt or equity financings and the optioning and/or sale of resource or resource related assets for its funding. The recoverability of the carrying value of exploration and development projects, and ultimately the Company's ability to continue as a going concern, is dependent upon the discovery of economically recoverable reserves and resources, the Company's ability to finance development of its projects through debt or equity financings, or alternatively upon the profitable disposal of projects.

Should the Company not be able to discover economically recoverable reserves, obtain the necessary financings and achieve future profitable production or sale of properties, the carrying value of the Company's assets could be subject to material adjustment and, in addition, other adjustments may be necessary to these consolidated financial statements should such adverse events impair the Company's ability to continue as a going concern as contemplated under Canadian generally accepted accounting principles.

3. Corporate Reorganization and Formation of Victory Nickel Inc.

Pursuant to a Plan of Arrangement which became effective February 1, 2007, the Company completed a series of transactions which resulted in the transfer of the following assets to a newly-listed public company, Victory Nickel Inc. ("Victory Nickel"):

a) The Company's interest in three sulphide nickel projects, namely the Minago and Mel projects on the Thompson Nickel Belt in Manitoba and the Lac Rocher project in Quebec (collectively the "Nickel Properties"); and,
b) Unexpended cash from the proceeds of a December 2006 private placement from which the Company raised net proceeds of $14,045,317.

Pursuant to the Plan of Arrangement, Victory Nickel acquired the Nickel Properties and cash in exchange for the issuance of common shares. Of the common shares issued, 75% were initially held by the Company's shareholders and 25% initially retained by the Company. Accordingly, the Company's shareholders continued to own 100% of the transferred assets by virtue of their holdings of Victory Nickel common shares and common shares of the Company. As a consequence, this related party transaction has been recorded by Victory Nickel at the carrying value of the Nickel Properties in the accounts of the Company and the cash transferred to it.

Under generally accepted accounting principles, the difference between the carrying value of the Nickel Properties and cash transferred and the 25% ownership interest in Victory Nickel retained by the Company is treated as a capital transaction. Accordingly, this resulted in a charge to deficit on the effective date of transfer of $13,791,000.

The following is a summary of the cash and nickel assets (net of related accounts payable) transferred to Victory Nickel pursuant to the Plan of Arrangement:

Cash and cash equivalents	$ 12,668[1]
Exploration advances	448
Exploration and development projects	5,800
	18,916
Accounts payable	528
	18,388
Less 25% interest retained in Victory Nickel	4,597[2]
	$ 13,791

(1) The cash transferred represents the net proceeds from the December 31, 2006 private placement less expenditures incurred on the Nickel Properties to the date of the Plan of Arrangement, February 1, 2007.
(2) Computed at 25% of the carrying value of net assets transferred

In addition, as Victory Nickel was responsible for all costs relating to the Plan of Arrangement, the Company was reimbursed for all costs incurred by it prior to the formation of Victory Nickel. Such costs amounted to $377,000 at December 31, 2006.

The retained interest in Victory Nickel (38,500,786 common shares) is being accounted for on the equity basis. The Company's share of Victory Nickel's loss for the nine-month period ended September 30, 2007 amounted to $444,000 (three months ended September 30, 2007 - $86,000). The quoted market value of the Victory Nickel common shares held at September 30, 2007 was $21,560,000.

4. Changes In Accounting Policies

Effective January 1, 2007, the Company adopted new accounting recommendations from the Canadian Institute of Chartered Accountants (CICA), Handbook Section 1530 - Comprehensive Income, Section 3855 - Financial Instruments – Recognition and Measurement and Section 3865 - Hedges. The changes are applied prospectively with no restatement of prior periods.

Section 1530 established standards for reporting and presenting a comprehensive income statement.

Section 3855 requires all financial assets and financial liabilities to be classified as one of five categories. Financial assets are to be classified as either held for trading, available for sale, held to maturity or loans and receivables. Financial liabilities are to be classified as either held for trading or other financial liabilities. All financial assets and financial liabilities are to be carried at fair value in the consolidated balance sheet, except held to maturity, loans and receivables and other financial liabilities which are carried at amortized cost.

Subsequent accounting for changes in fair value will depend on initial classification. Realized and unrealized gains and losses on financial assets and liabilities that are held for trading will continue to be recorded in the consolidated statement of operations. Unrealized gains and losses on financial assets that are held as available for sale are to be recorded in other comprehensive income until realized, at which time they will be recorded in the consolidated statement of operations.

Section 3865 specifies the criteria that must be satisfied in order for hedge accounting to be applied and the accounting for each of the permitted hedging strategies: fair value hedges, cash flow hedges and hedges of foreign currency exposures of net investments in self sustaining foreign operations. Currently, the Company is not involved in any hedging activities.

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents and cash for exploration expenditures as held for trading for accounting purposes, which are measured on the balance sheet at fair value. Marketable securities are classified as available for sale. Accounts receivable and amounts due from Victory Nickel are classified as loans and receivables and are recorded at amortized cost. The convertible debenture of Campbell Resources Inc. is classified as held to maturity and is recorded at amortized cost. Accounts payable and accrued liabilities and amounts due to Victory Nickel, if any, are also measured at amortized cost and are classified as other financial liabilities.

5. Transactions with Campbell Resources Inc.

As described more fully in the Company's audited consolidated financial statements for the year ended December 31, 2006, in 2006 the Company entered into an agreement with Campbell Resources Inc. ("Campbell") which outlined various consulting, operating and financing arrangements between the two companies (the "Campbell Transaction").

Pursuant to the Campbell Transaction, the Company is providing operating consulting services for Campbell's development and mining activities including completing development of Campbell's Corner Bay copper deposit ("Corner Bay"). The Company also committed to subscribe for units (comprising common shares and warrants) of Campbell for gross proceeds to Campbell of $2,500,000. This investment was completed in December 31, 2006 and resulted in the Company holding an approximate 10% equity interest in Campbell and owning 67,807,429 warrants to increase this interest by a further 20% through the exercise of the warrants at a price of $0.10 per share.

Finally, pursuant to the Campbell Transaction, upon execution of a $4,000,000 project loan (the "Corner Bay loan") the Company was entitled to a 50% interest in the Corner Bay copper deposit. In March 2007, the Company advanced $2,000,000 to Campbell. In July 2007, these advances were converted into a $2,000,000 convertible debenture. The convertible debenture bears interest at 11.5% per annum, is convertible into units of Campbell ("units") at a price of $ 0.13 per unit. Each unit consists of one common share and one half a common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share of Campbell at a price $0.16 per common share for a period of 24 months of the closing date in July 2007. A third party has also subscribed for $2,000,000 in Campbell's convertible debentures on terms identical to the above. The convertible debentures mature in July 2009 and are secured by, among other things, a first charge on the assets of the Corner Bay project, certain equity investments and the shares of certain subsidiaries of Campbell.

As a consequence of completion of the financing described above, the Company acquired an entitlement to 50% of the operating cash flow generated by the Corner Bay project subject to Campbell's recoupment of capital expenditures as follows:

a) Initially all operating cash flow (as defined) will be payable to Campbell until it recoups all development costs it will incur in fiscal 2007 prior to commencement of production;
b) Following recoupment of the development costs referred to above, 50% of operating cash flow will be retained by Campbell until it recoups past development costs to a maximum of approximately $4,000,000 with the remaining 50% of cash flow distributed equally to the Company and Campbell; and,
c) Thereafter operating cash flow will be distributed to the Company and Campbell pro rata to their respective 50% interests.

In September 2007, the Company exercised 4,000,000 Campbell warrants resulting in the acquisition of an additional 4,000,000 Campbell common shares at a cost of $400,000.

At September 30, 2007, the Company held 41,650,000 common shares of Campbell including shares acquired pursuant to its equity investments and shares received in consideration for consulting and other services. At September 30, 2007, the fair value of these marketable securities ($5,424,000) exceeded amounts recorded on initial recognition of $3,592,000 by $1,832,000. This amount has been included in Accumulated Other Comprehensive Income (see Note 8).

At September 30, 2007, included in accounts receivable are amounts due from Campbell of $158,055.

6. Exploration and Development Projects

Cumulative costs relative to the acquisition of mineral properties and deferred exploration and development expenditures have been incurred on the following projects:

	Balance December 31, 2006	Current Expenditures	Transferred to Victory Nickel Inc. (Note 3)	Writedowns, Losses and Recoveries	Balance September 30, 2007
Nickel					
Lac Rocher	$ 2,116	$ 2	$ 2,118	$ -	$ -
Mel	172	534	706	-	-
Minago	2,341	635	2,976	-	-
	4,629	1,171	5,800	-	-
Uranium					
Diabase Peninsula	2,294	290	-	-	2,584
Prairie Lake	4	462	-	-	466
	2,298	752	-	-	3,050
Gold, Copper and Zinc					
Cameron Lake	671	64	-	-	735
Berta and Elmalaan	874	1,181	-	-	2,055
Other	11	27	-	26[1]	12
	1,556	1,272	-	26	2,802
	$ 8,483	$ 3,195	$ 5,800	$ 26	$ 5,852

	Balance December 31, 2005	Current Expenditures	Writedowns, Losses and Recoveries	Balance September 30, 2006
Nickel				
Lac Rocher	$ 1,693	$ 349	$ -	$ 2,042
Mel	-	570	-	570
Minago	1,158	766	-	1,924
	2,851	1,685	-	4,536
Uranium				
Diabase Peninsula	769	1,638	-	2,407
Prairie Lake	-	-	-	-
	769	1,638	-	2,407
Gold, Copper and Zinc				
Cameron Lake	531	92	-	623
Berta and Elmalaan	534	388	-	922
Other	241	122	326	37
	1,306	602	326	1,582
	$ 4,926	$ 3,925	$ 326	$ 8,525

[1] The writedown of exploration costs relate to preliminary investigation costs incurred on discontinued projects.

7. Share Capital

During the nine months ended September 30, 2007, the following changes in share capital occurred:

	Number of Shares	Amount
Balance – December 31, 2006	152,228,887	$ 83,887
Shares issued pursuant to private placement (a)	10,344,828	5,541
Options exercised (b)	500,000	235
Warrants exercised (c)	4,011,717	984
Shares issued under the Share Bonus Plan (d)	310,200	135
Exercise of conversion rights on convertible debentures (e)	833,333	200
Flow-through share renunciation(f)	-	(337)
Balance – September 30, 2007	168,228,965	$ 90,645

(a) In April 2007, the Company issued 10,344,828 flow-through common shares at $0.58 per share for gross proceeds of $6,000,000. After fees and other out of pocket costs, net proceeds aggregated $5,540,555.

(b) During the period, the Company issued 500,000 common shares for proceeds of $171,672 upon the exercise of 500,000 options. This resulted in an increase in share capital in the amount of the proceeds plus the carrying value of the options exercised of $63,800.

(c) During the period, 4,011,717 common shares were issued upon the exercise of warrants for proceeds of $788,752. This resulted in an increase in share capital in the amount of the proceeds plus the carrying value of the warrants exercised in the amount of $195,839.

(d) During the period, 310,200 common shares with an ascribed value of $134,634 were issued to employees as discretionary bonuses pursuant to the Company's Share Bonus Plan.

(e) In January 2007, the two directors who held the Company's convertible debentures exercised their conversion rights, resulting in the issuance of 833,333 common shares upon the conversion of $200,000 in convertible debentures.

(f) In February 2007, the Company renounced $988,000 (February 2006 - $3,154,977) in Canadian Exploration Expenditures to investors of flow-through shares in 2006. The tax value of these renunciations amounts to $337,000 (2006 – $1,076,000) and has been recorded as a future income tax liability and charged against share capital. Since the Company has a valuation allowance which reduces the future income tax assets, the valuation allowance was reduced and income tax recoveries were recognized in the consolidated statement of operations in the amount of $337,000 (2006 - $1,076,000).

During the period, 30,765 warrants expired unexercised resulting in a transfer of $1,323 from warrants to contributed surplus.

8. Other Comprehensive Income

Other comprehensive income (OCI) is comprised of unrealized gains on marketable securities (shares of Campbell Resources Inc.) that are classified as available for sale. Changes in the components of OCI are summarized as follows:

	Nine Months Ended September 30,	
	2007	2006
Accumulated OCI at beginning of period	**$ -**	$ -
Adjustments to accumulated OCI at beginning of period due to the change in method of accounting for financial assets available for sale	**811**	-
OCI for the period representing the change the fair value of financial assets available for sale	**1,021**	-
Accumulated OCI at end of period	**$ 1,832**	$ -

9. Changes in Non-Cash Working Capital

Changes in non-cash working capital balances impacting cash from operations are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	**2007**	2006
Accounts receivable, prepaid expenses and deposits	**$ 137**	$ (272)	**$ 32**	$ (409)
Accounts payable and accrued liabilities	**(147)**	(58)	**(160)**	60
Due to/from Victory Nickel Inc.	**(252)**	-	**(511)**	-
	$ (262)	$ (330)	**$ (639)**	$ (349)

10. Related Party Transactions

Related party transactions not otherwise disclosed in these financial statements include the following:

a) The Company shares management, administrative assistance and facilities with Victory Nickel pursuant to a management agreement. The costs recovered from Victory Nickel are equal to the cost to the Company of such services plus 10 per cent. The management agreement has an initial term of 24 months and is terminable thereafter by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the nine months ended September 30, 2007 total $537,421 (three months ended September 30, 2007 - $188,344) and have been deducted from general and administrative expenses.

b) In January 2007, two directors who held convertible notes of the Company exercised their conversion rights resulting in the issuance of 833,333 common shares on the conversion of $200,000 of outstanding convertible debentures. In addition, during the current nine-month period, the two directors were repaid accrued interest owing to them, aggregating $136,753.

c) Amounts due from/to Victory Nickel are unsecured, non-interest bearing, and due on demand.

11. Subsequent Event

In October 2007, the Company agreed to provide Campbell Resources Inc. with a revolving credit facility up to a maximum of $1,500,000. The facility is for a term of six months, bears interest at a rate of 12% per annum on amounts outstanding, and is secured in a manner similar to, but subordinate to, the security on Campbell's convertible debentures (see Note 5). Amounts advanced under this facility to date total $1,448,000.

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
Three and Nine Months Ended September 30, 2007

This Management's Discussion and Analysis is dated November 8, 2007, reflects the three and nine-month periods for Nuinsco Resources Limited ("Nuinsco" or the "Company"), ended September 30, 2007 and should be read in conjunction with the interim consolidated financial statements for such periods and the audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2006. The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles and are reported in Canadian dollars. These documents, along with an Annual Information Form and other documents published by Nuinsco are available on SEDAR at www.sedar.com or from the office of the Company.

COMPANY OVERVIEW
Nuinsco is a growth-oriented exploration company focused on advancing its uranium, copper, gold and zinc assets in world-class mineralized belts in Canada and Turkey. In addition to its property holdings, Nuinsco owns approximately 22% of the outstanding common shares of Victory Nickel Inc. (TSX:Ni) and approximately 10% of the outstanding common shares of gold and copper producer Campbell Resources Inc. (TSX:CCH) and is developing its first operating mine, the high-grade Corner Bay copper project, in conjunction with Campbell. Along with cash flow from Corner Bay, these investments have the potential to finance the Company's exploration programs in order to minimize dilution to shareholders going forward. Shares of Nuinsco trade on the Toronto Stock Exchange under the symbol NWI.

CORPORATE REORGANIZATION AND FORMATION OF VICTORY NICKEL INC.
Pursuant to a Plan of Arrangement which became effective February 1, 2007, the Company completed a series of transactions which resulted in the transfer of the following assets to a newly-listed public company, Victory Nickel Inc. ("Victory Nickel"):

a) The Company's interest in three mineral resource projects, namely the Minago and Mel sulphide nickel projects on the Thompson Nickel Belt in Manitoba and the Lac Rocher sulphide nickel project in Quebec (collectively the "Nickel Properties"); and,
b) Unexpended cash of $12,667,740 from the proceeds of a December 2006 private placement from which the Company raised net proceeds of $14,045,317.

Pursuant to the Plan of Arrangement, Victory Nickel acquired the Nickel Properties and cash in exchange for the issuance of common shares. Of the common shares issued, 75% were initially held by the Company's shareholders and 25% initially retained by the Company. Accordingly, the Company's shareholders continued to own 100% of the transferred assets by virtue of their holdings of Victory Nickel common shares and common shares of the Company. As a consequence, this related party transaction has been recorded by Victory Nickel at the carrying value of the Nickel Properties in the accounts of the Company and the cash transferred to it.

Under generally accepted accounting principles, the difference between the carrying value of the Nickel Properties and cash transferred and the 25% ownership interest in Victory Nickel retained by the Company is treated as a capital transaction. Accordingly, this resulted in a charge to deficit on the effective date of transfer of $13,791,000.

This transaction is described in detail in Note 3 to the Company's September 30, 2007 unaudited interim consolidated financial statements.

RESULTS OF OPERATIONS
For the three months ended September 30, 2007, the Company had a net loss of $96,000, or $0.00 per share, compared with net income of $34,000, or $0.00 per share, in the same period of 2006. The net income in 2006 third quarter included a gain on the sale of marketable securities of $558,000. No such gain was realized in the current three-month period. Interest income increased from $50,000 in the three months ended September 30, 2006 to $132,000 in the current three-month period, reflecting the additional cash invested in interest-bearing short-term deposits. Consulting fees in the current three-month period were $153,000, versus $215,000 in the comparable prior-year period. Revenue related to 2,000,000 Campbell common shares valued at $340,000 received on commencement of the Campbell operating consulting agreement on May 1, 2006 was initially deferred and was recognized in income over a one-year period ended April 30, 2007. Accordingly, the 2006 third quarter consulting fee amount includes $85,000 of such deferred revenue ($nil in the current quarter).

The other comprehensive loss for the three months ended September 30, 2007 results from a decrease during the quarter in the excess of the fair value of Campbell common shares owned by the Company over amounts recorded on initial recognition. The fair value was estimated at $0.130 per Campbell share at September 30, 2007, versus $0.135 at June 30, 2007. The other comprehensive income for the nine months ended September 30, 2007 reflects an increase in the

Campbell share fair value estimate from $0.105 per share at December 31, 2006 to the above-mentioned $0.130 per share amount at September 30, 2007.

General and administrative expenses totaled $306,000 in the three months ended September 30, 2007, compared with $175,000 in the same 2006 period. General and administrative expenses in the prior year three-month period were reduced by non-recurring recoveries of approximately $135,000 recognized on the finalization in that quarter of definitive agreements with Campbell as discussed under Liquidity and Capital Resources below. These agreements provided for the reimbursement of various costs incurred by the Company, the majority of which had been expensed in the first six months of 2006. General and administrative expenses in the current period are essentially unchanged from the prior year three-month period excluding this one- time recovery.

The current three-month period results also include the Company's share of Victory Nickel's loss for the three months ended September 30, 2007 in the amount of $86,000. The Company acquired a 25% interest in Victory Nickel on February 1, 2007 pursuant to the Corporate Reorganization described above and is accounting for this investment on the equity basis. As a result of subsequent financings by Victory Nickel, this ownership interest has been reduced to approximately 22%. The quoted market value of the 38,500,786 Victory Nickel common shares held at September 30, 2007 was $21,560,000.

The three-month period ended September 30, 2007 includes stock option compensation expense of $8,000, representing an amount attributable to previously issued options which were vesting during the period. Stock option compensation in the corresponding period in 2006 amounted to $266,000 representing the fair values of options issued and vesting in that period.

In the nine months ended September 30, 2007, the Company had a net loss of $319,000, or $0.00 per share, compared with net income of $2,706,000, or $0.02 per share, in the same period in 2006. The net income in 2006 included aggregate gains on the sale of marketable securities of $2,305,000. No such gains were realized in the current nine-month period. Aggregate consulting fees earned from Campbell in the current nine-month period totalled $554,000, compared with $390,000 in 2006 during which period no fees were earned prior to May 1, 2006. Interest income earned in the current nine-month period totalled $423,000, versus $88,000 in the same period in 2006, reflecting the higher level of cash invested in interest-bearing instruments in the current period.

General and administrative expenses for the nine months ended September 30, 2007 totalled $1,132,000, versus $1,322,000 in 2006. As explained under related party transactions below, the reduction in the current period, compared with the prior period, reflects overhead recoveries from Victory Nickel that, in the current nine-month period, aggregated $537,000. Following the formation of Victory Nickel on February 1, 2007, the Company shares management, administrative assistance and facilities with Victory Nickel pursuant to a management agreement. These overhead recoveries were offset by increases in general and administrative expenses prior to such recoveries of approximately $347,000, primarily as a result of increased salary costs reflecting additional hires and salary increases and the commencement of the cash payment of directors' fees in the current period totalling $124,000 (nil in 2006). Stock option compensation aggregated $49,000 in the current nine-month period, versus $266,000 in 2006.

The Company's share of Victory Nickel's loss for the nine-month period ended September 30, 2007 totalled $444,000. Victory Nickel's loss in the first quarter included stock option compensation of $863,000, compared with stock option compensation of $147,000 and $103,000 in its second and third quarters, respectively.

The Company recognized income tax recoveries in the nine months ended September 30, 2007 of $337,000, compared with income tax recoveries of $1,859,000 in the same period in 2006. Income tax recoveries of $337,000 in 2007 and $1,076,000 in 2006, respectively, represent the tax benefits realized from the renunciation of Canadian exploration expenses to investors in flow-through financing as explained in Note 7(f) of the Company's September 30, 2007 interim unaudited consolidated financial statements. The balance of recoveries in 2006 totalling $783,000 represents the net proceeds received as a result of transactions entered into which resulted in the realization of the benefits of previously unrecognized tax loss carry forwards.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for the first three quarters of fiscal 2007 and each of the quarters of fiscal 2006 and 2005.

Fiscal year 2007		3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income		$ 335,000	$ 335,000	$ 357,000
Loss		$ (96,000)	$ (129,000)	$ (94,000)
Loss per share – basic and diluted		$ 0.00	$ 0.00	$ 0.00

Fiscal year 2006	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income	$ 755,000	$ 873,000	$ 895,000	$1,070,000
(Loss) Net income	$ (493,000)	$ 34,000	$ 928,000	$1,744,000
(Loss) income per share – basic and diluted	$ (0.01)	$ 0.00	$ 0.01	$ 0.02

Fiscal year 2005	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income	$ 404,000	$ 2,000	$ 2,000	$ -
(Loss) Net income	$ (3,798,000)	$ (1,064,000)	$ 247,000	$(395,000)
(Loss) income per share – basic and diluted	$ (0.04)	$ (0.01)	$ 0.00	$ 0.00

EXPLORATION AND DEVELOPMENT ACTIVITIES

For the nine months ended September 30, 2007, the Company incurred exploration expenditures of $2,024,000 on its mineral interests excluding the nickel projects transferred to Victory Nickel, compared with $2,240,000 in the same period of 2006. Significant expenditures of $1,181,000 were made on its Berta and Elmalaan properties in Turkey. Complete details of the mineral properties are included in the 2006 Annual Report and on the Company's website at www.nuinsco.ca.

COPPER, ZINC

Turkish Properties

Nuinsco has two properties in northeastern Turkey: the Berta copper project, a 50:50 joint venture with Xstrata Copper, on which exploration began in 2004; and the Elmalaan copper-zinc property in which the Company recently completed its 100% earn-in subject to back-in rights held by Xstrata Copper exercisable under certain conditions.

At Berta during 2007, the Company intersected a significant, continuous domain of strong sulphide mineralization grading up to 30.0% copper and 7.19% zinc. Copper, gold, silver and zinc values occur over the entire 771.5 metre length of hole SD-07-08 which ended in mineralization. The results in this highly mineralized hole highlight the potential of the essentially unexplored Berta property. Under terms of the joint venture agreement, Xstrata Copper is the operator, and the Company is in discussions with Xstrata Copper to determine the extent and timing of the next phase of exploration which will likely begin in the first quarter of 2008.

During the second quarter, the Company announced that it had completed its earn-in, from Xstrata Copper, of its 100% interest in the Elmalaan property. Elmalaan, covering 947 square hectares, is located 6 kilometres south of the Black Sea coast and is easily accessible year round. Previous work identified massive sulphide in outcrop and locally-derived boulders that graded up to 3.38% copper and 6.30% zinc. Drilling during the second quarter continued to return high-grade polymetallic mineralization over significant widths. For example, drill hole EKD-07-06 intersected 2.43% zinc, 0.50g/t gold and 31.07g/t silver over 10.10 metres between 98.90-109.0 metres; between 102.6-103.2 metres zinc values peaked at 9.25%, gold at 2.85g/t and silver at 211g/t. With the completion of its earn-in, the Company is in the process of transferring ownership of the Elmalaan property to a newly-formed wholly-owned Turkish subsidiary. The Company anticipates that further drilling to follow up on these positive results will likely begin early in 2008.

URANIUM

Diabase Peninsula Property, Saskatchewan

Nuinsco's Diabase Peninsula uranium project is located 150 kilometres northwest of La Ronge, Saskatchewan on the Athabasca Basin, the region that hosts the world's largest and richest uranium mines. The 21,900-hectare property is a joint venture with Trend Mining Company of Denver whose interest currently approximates 30%. Nuinsco has completed two drill programs that returned uranium values as well as key indicator minerals associated with uranium deposits in the Basin which, combined with past drilling and other studies, points toward the local presence of unconformity style mineralization. A 5,000 metre drill program designed to follow up on previous positive exploration results began subsequent to the end of the quarter. This program had been delayed since June as the drilling contractor was unable to provide the required drill crew. As a result, the originally budgeted $2.5 million fiscal 2007 drill program is expected to continue into early 2008.

Prairie Lake Property, Ontario

Prairie Lake, located near Marathon, Ontario, hosts a near-surface historic (non-National Instrument-43-101-compliant) uranium resource of over 180,000 tonnes grading 0.09% U_3O_8 (and 0.25% niobium) identified in exploration dating from the mid-1960s. This resource has a significant value at current uranium prices and an initial 1,500 metres of drilling was undertaken in the second quarter of 2007 on this large carbonatite intrusion to follow up on values from recent surface sampling of up to 0.08% U_3O_8 (1.656 lb/tonne).

Assay results from one hole were received in September, which clearly demonstrate the presence of strong uranium mineralization at Prairie Lake in conjunction with a suite of other minerals of economic interest. Results from hole DDH NP-07-01, collared at the centre of the complex returned 0.106% U_3O_8 (or 2.3 lb/t) over 13.5m (11.49m true width), as well as 9.03% phosphorous, 1,744 ppm niobium, 89 ppm tantalum and elevated rare earth element (REE) values averaging a combined 2,986 ppm for lanthanum, cerium, neodymium, samarium as well as yttrium (1 ppm = 1 g/t) over the same interval. Assay results from the balance of the holes are pending, and should be available in the fourth quarter.

GOLD

Cameron Lake Project, Ontario

Located near Kenora in northwestern Ontario, Cameron Lake hosts a NI 43-101-compliant measured and indicated gold resource of 572,000 tonnes grading 6.51 g/t and an inferred resource of 1,012,000 tonnes grading 5.22 g/t. Approximately $24 million was spent in the 1980s by a former partner of Nuinsco to develop the mine to the 865 foot level, and drilling has demonstrated that gold mineralization extends to greater than 700 metres. In 2006, the Company engaged Wardrop Engineering Inc. ("Wardrop") to obtain the permits required for the dewatering of the underground workings at Cameron Lake. The process to obtain the required permits is on hold pending clarification of the procedures to satisfy both the provincial government and the First Nations. The Company intends to proceed with securing the permits as it is able, and continues to evaluate other options to further the exploration of the Cameron Lake deposit at depth in the absence of dewatering permits.

STRATEGIC INVESTMENTS

Campbell Resources Inc.

In early 2006, Nuinsco made a significant step toward having its first cash flowing project through an agreement with Campbell. Under the agreement, Nuinsco acquired a significant equity interest in Campbell and is providing consulting services for the operation of Campbell's copper and gold mines in the Chibougamau mining camp. The Company has also acquired a 50% carried interest in the high-grade Corner Bay copper deposit which is currently in development.

Campbell's strategy is to capitalize on available capacity to lower unit costs by increasing throughput at the Copper Rand Mill as a consequence of increasing production at its Copper Rand mine as well as milling ore from other regional deposits. The first part of this strategy was to begin production from the Merrill Island open pit located approximately five kilometres southwest of the Copper Rand mine. Production at Merrill Island began in September.

The next step in this strategy is commencing production at Corner Bay, located about 45 kilometres from Copper Rand. The milling of ore from Corner Bay is expected to begin in the fourth quarter. In addition, Campbell and Nuinsco are evaluating other satellite deposits in the Chibougamau camp (in which Nuinsco would participate as a 50% partner) that would allow a further increase in throughput to improve Campbell's operating results in 2007 and beyond.

At a 3% Cu cut-off, Corner Bay has measured and indicated resources of 446,000 tonnes averaging 5.58% Cu (181,000 tonnes at 5.07% Cu measured and 265,000 tonnes at 5.93% Cu indicated); inferred resources total 1,441,000 tonnes averaging 6.76% Cu (Ref.: GEOSTAT Technical Report, July 2006, available on SEDAR at www.sedar.com).

Following the Phase I extraction of a 42,000 tonne bulk sample, Phase II anticipates mining an additional 500,000 tonnes of ore grading 4.5% copper over three years. Corner Bay remains open at depth, and drilling has returned intercepts grading up to 9.27% copper over 6.7 metres at 1,200 vertical metres.

Based on internal economic studies done by Campbell and Nuinsco using an average forward copper price of $3.27 per pound and a current US/CDN dollar exchange rate, Phases I and II are expected to generate approximately $55 million net of milling charges and after recovery of all development capital. An average mining rate of 450 tonnes per day is expected to produce 14,000,000 pounds of copper annually. Production costs are expected to be $1.09 per pound ($1.75 per pound including development capital), generating cash flow to Nuinsco's account of approximately $25 million. Campbell is responsible for development capital, which is expected to total $14 million before pre-production revenue credits. It should be noted that all financial and production data are internally derived estimates which are not based on either a National Instrument 43-101-compliant reserve estimate or an independent feasibility study, and therefore should not be relied upon.

Victory Nickel Inc.

As described above, in early 2007, Nuinsco spun off its Minago, Mel and Lac Rocher sulphide nickel projects along with approximately $12,000,000 in cash to create Victory Nickel. Nuinsco retained an initial 25% equity interest in Victory Nickel (subsequently reduced to approximately 22%), which has over 660 million pounds of in-situ nickel in National Instrument-43-101-compliant resources at its three Canadian projects:

Minago Project

Victory Nickel's l00%-owned Minago project is also located on the Thompson Nickel Belt in Manitoba, and is one of Canada's largest undeveloped nickel deposits with measured and indicated resource of 49 million tonnes grading 0.516% nickel (measured: 10.3 million tonnes grading 0.593% Ni; indicated: 38.8 million tonnes grading 0.496% Ni) (see news release dated November 20, 2006). Following the completion of a scoping study in the fall of 2006, Wardrop Engineering Inc. ("Wardrop") was engaged to conduct a definitive feasibility study. The definitive feasibility study is ongoing, and is expected to be completed in October of 2008. A 13,000 metre, 44-hole winter drilling program was completed to provide data for inclusion in the definitive feasibility study. During the second quarter, Victory Nickel announced drill results, including intercepts grading up to 1.4% nickel over 36.0 metres. Drill results released during the third quarter continued to be positive, including 64.65 metres grading 0.94% nickel and 35.44 metres grading 1.14% nickel. In addition, several geotechnical holes which did not target mineralization did in fact intersect mineralization (see news releases dated May 22, 2007 and July 12, 2007) demonstrating the widespread nature of nickel mineralization at Minago.

Mel Project

The Mel project is located on the Thompson Nickel Belt, just north of Thompson, Manitoba. It is a large property, approximately 25 kilometres east-west by about 6 kilometres north-south.

Victory Nickel has fully funded sufficient expenditures to earn a 100% ownership interest in this project subject to an Inco CVRD back-in. This project has 4.3 million tonnes of indicated resources grading 0.875% nickel (see Victory Nickel news release dated February 26, 2007), and offers significant exploration up-side as well as near-term production potential. The winter drill program comprised 30 drill holes encompassing 5,733 metres of drilling to better define and add to the existing resource. This program intersected significant grades over mineable widths, including 1.11% nickel over 13.67 metres. Victory Nickel is currently in discussions regarding CVRD's intentions with respect to its 51% back-in right. A decision is expected by year-end, and at that point Victory Nickel will determine the appropriate next steps in its development strategy.

Lac Rocher

Located in northwestern Quebec, 140 kilometres northeast of Matagami, the high-grade Lac Rocher project has measured and indicated resources of 1,190,288 tonnes grading 0.91% nickel (measured: 849,249 tonnes grading 1.05% Ni, indicated: 341,039 tonnes grading 0.64% Ni), at a 0.5% nickel cutoff, for approximately 25,000,000 pounds of in-situ nickel located between surface and 125 vertical metres (see news release dated December 27, 2006). Mineralization is open to the southwest, and Victory Nickel is currently evaluating near-term production potential from the property.

During the third quarter, Victory Nickel was very active with respect to advancing the Lac Rocher property. A 12-hole, 1,500 metre drill program tested for extensions to the nickel sulphide mineralization and provided metallurgical samples for Preliminary Economic Evaluation (PEA) of the near-term production and cash generation potential of the project that is being completed by Roche Engineering. Results graded up to 9.5% nickel over 2.29 metres within a larger intercept of 45.92 metres grading 1.42% nickel, and continued to expand Victory Nickel's geological and metallurgical understanding of the massive sulphide zone at Lac Rocher.

In addition, Victory Nickel entered into a Memorandum of Understanding with the Waswanipi Cree First Nation ("WCFN") whereby the parties have agreed to work together to support development of the Lac Rocher deposit in a way that respects the collective interests of Victory Nickel, the WCFN and other stakeholders. Phase One of the project is expected to consist of an underground exploration and bulk sampling program to evaluate ore continuity and provide further metallurgical evaluation. Phase One would potentially entail the extraction of approximately 50,000 tonnes of material grading approximately 4.0% nickel. Phase Two would potentially extract an additional 400,000 tonnes of material grading 1.57% nickel. Victory Nickel is evaluating a number of options whereby mineralized material from Lac Rocher would be direct shipped to an offsite mill for processing.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2007, the Company had working capital of $14,113,000, compared with $21,694,000 at December 31, 2006.

In the nine months ended September 30, 2007, the Company used cash of $938,000 in operating activities, compared with the use of cash totaling $329,000 in the same period in 2006. The increase in the cash used in operating activities is primarily a result of cash used due to increases in non-cash working capital items including amounts due from Victory Nickel. In addition, the increase in cash used in operating activities in 2007 reflects the fact, that in 2006, cash tax recoveries were received amounting to 783,000 with no such cash tax recoveries in the current period offset by the favourable impact of increased consulting and interest income in 2007.

Cash from financing activities in the current nine-month period was $6,449,000 being the proceeds received on the issuance of common shares. In April 2007, the Company completed an issuance of 10,344,828 flow-through common shares at $0.58 per share for proceeds before costs of issue of $6,000,000 and received proceeds of $ 789,000 upon the issuance of 4,011,217 common shares on the exercise of warrants and $172,000 on the exercise of 500,000 options. Proceeds from the issuance of common shares amounted to $1,518,000 in the same nine-month period in 2006.

Investing activities in the current nine-month period of $4,376,000 were related to additions to exploration and development projects of $2,268,000 less reimbursements of Plan of Arrangement costs of $377,000 incurred on behalf of Victory Nickel in 2006, as well as advances to Campbell of $2,000,000 to finance the development of the Corner Bay project and the exercise of Campbell Warrants at a cost of $400,000.

Total cash used in the current nine-month period amounted to $11,483,000 including $12,668,000 distributed on the formation of Victory Nickel, versus an increase in cash of $1,199,000 in the comparable period in 2006. At September 30, 2007, the Company had cash and cash equivalents and cash for exploration expenditures totaling $8,562,000. The Company does not own any asset-backed commercial paper. The Company has a corporate policy of investing its available cash in cash equivalents comprising Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks.

Given its current cash position, the Company is sufficiently financed to fund its anticipated future administration and exploration costs unless a decision is made to advance one or more of its projects to production.

OUTSTANDING SHARE DATA

At November 9, 2007, the Company had 169,080,805 common shares issued and outstanding. In addition, there were 12,125,000 stock options outstanding, and 3,114,595 warrants and underlying warrants issued and outstanding which if exercised would bring the fully diluted issued common shares to a total of 184,320,400 and would generate approximately $448,000 of cash.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Company adopted new accounting standards that were issued by the Canadian Institute of Chartered Accountants: Handbook Section 1530 - Comprehensive Income, Section 3855 - Financial Instruments - Recognition and Measurement, and Section 3865 - Hedges. The Company adopted these standards prospectively; accordingly, comparative amounts for prior periods have not been restated.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be represented. This section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and,
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self sustaining foreign operations; unrealized gains or losses on available for sale investments; and the effective portion of gains and losses on derivatives designated as cash flow hedges or hedges on the net investment in self sustaining foreign operations.

Section 3865 provides alternative treatments to section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships," and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The effects of adopting these new accounting standards are set out in Note 4 to the Company's June 30, 2007 interim unaudited financial statements.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the recoverable value of its exploration and development projects, and the fair value estimates for stock options and warrants. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For a complete list of the significant accounting policies reference should be made to Note 2 of the Company's 2006 audited consolidated financial statements.

The Company's recorded value of its exploration and development projects is based on historical costs that are expected to be recovered in the underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties. Accordingly, there is always the potential for a material adjustment to the value assigned to these assets.

The fair value of the stock options and warrants is calculated using an option pricing model that takes into account the exercise price, the expected life of the option/warrant, expected volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

DISCLOSURE CONTROLS

The Company's certifying officers have designed a system of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to them with respect to financial and operational conditions. Such controls are facilitated by the small size of the Company's senior management team and their access to material information. The certifying officers have evaluated the effectiveness of the disclosure controls and procedures as of September 30, 2007 and have concluded that these disclosure controls and procedures are effective at the reasonable assurance level. The management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. There were no changes to the Company's internal control over financial reporting that occurred during the three months ended September 30, 2007 that materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RELATED PARTY TRANSACTIONS

Related party transactions in the nine months ended September 30, 2007 include the following:

a) The Company shares management, administrative assistance and facilities with Victory Nickel pursuant to a management agreement. The costs recovered from Victory Nickel are equal to the costs incurred by the Company of such services plus 10 per cent. The management agreement has an initial term of 24 months and is terminable thereafter by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the current nine-month period total $537,421 (three months ended September 30, 2007 - $188,344) and have been deducted from general and administrative expenses.

b) In January 2007, two directors who held convertible notes of the Company exercised their conversion rights resulting in the issuance of 833,333 common shares on conversion of $200,000 of outstanding convertible debentures. In addition, during the current six-month period, the two directors were repaid accrued interest owing to them (including interest applicable to the current period of $4,531), aggregating $136,753.

OUTLOOK

Nuinsco has long been, and remains, one of Canada's premier junior mineral exploration companies. Today's Nuinsco has liquid assets in its shareholdings of Victory Nickel and Campbell that can be monetized, and its first mine, Corner Bay a 50:50 joint venture with Campbell is set to begin generating cash flow in 2008, giving the Company a solid platform from which to finance exploration with minimal dilution going forward. To better reflect its exploration focus, the Company re-aligned its management team subsequent to the end of the quarter promoting Paul Jones from Vice-President, Exploration to the position of President, and appointing Chris Wagg as Manager, Canadian Exploration; Laird Tomalty as Logistics Coordinator and Field Manager; and Laura Giroux as Project Geologist and Data Manager.

Mr. Jones has been associated with the Company since 1983, and became Vice-President of Exploration in 2004. Mr. Jones will also remain Vice-President, Exploration of Victory Nickel Inc. (TSX:Ni). His appointment allows Brian Robertson, formerly President of Nuinsco, to focus on advancing the Minago, Lac Rocher and Mel sulphide nickel projects to production in his role as President of Victory Nickel.

The Company is pleased with the progress it is making in advancing its projects in Canada and Turkey as well as with its strategy to accumulate interests in liquid assets and cash generating assets to help finance exploration activity. Programs planned and ongoing in the third quarter are as follows:

COPPER, ZINC

Elmalaan: With the completion of its 100% earn-in at Elmalaan, the Company is in the process of establishing a Turkish subsidiary to hold and operate the project going forward. Upon establishment of this company and the transfer of ownership from Xstrata Copper, Nuinsco will proceed with a drill program to follow up on the positive results from drilling to date.

Berta: At Berta, the Company is in discussions with joint venture partner Xstrata Copper concerning the drill program to follow up on the spectacularly mineralized hole SD-07-08 that intersected 710.9 metres grading 0.28% copper and 0.07 g/t gold between 3.80 metres and 714.7 metres. The intercept included: 6.85 metres grading 3.79% copper, 0.22 g/t gold, 11.6 g/t silver and 1.05% zinc; 5.90 metres grading 2.60% copper, 1.14 g/t gold and 8.3 g/t silver; and 9.0 metres grading 1.03% copper. The Company anticipates establishing the follow-up program in the fourth quarter, with drilling to follow thereafter.

URANIUM

Diabase Peninsula: The Company is very positive about the prospects at the Diabase Peninsula uranium property. Past work has identified numerous indicators of uranium mineralizing processes on the property, and a 5,000 metre, $2.5 million drill program began in October to follow up on these significant results.

Prairie Lake: The Company has completed a 1,500 metre initial diamond drill program which, combined with data from an ongoing property-wide rock sampling program and recent surface sampling that returned values ranging up to 0.08% U_30_8 (1.656 lb/tonne), will provide a better geological picture to assist in determining the economic potential of the property.

GOLD

Cameron Lake: As discussed previously, the Company is considering all of its options with respect to advancing the Cameron Lake deposit, however obtaining a dewatering permit remains the desired route.

STRATEGIC INVESTMENTS

Nuinsco's long-term strategy is to minimize equity dilution to shareholders by creating an exploration company that is in large part self-financing. Along with its equity holdings in Victory Nickel and Campbell which can be monetized, cash flow from the high-grade Corner Bay copper deposit, a 50:50 joint venture with Campbell, is a significant part of this strategy.

Campbell

As discussed above, Campbell's strategy is to optimize operations at its Copper Rand mill to increase throughput and lower unit costs. With the successful start-up of the Merrill Island pit, Campbell is now planning to produce 30,000 tons of ore per month from Merrill Island, up from the 20,000 tons per month initially planned.

In addition, development is moving ahead rapidly at Corner Bay, and Campbell expects to begin shipping the 42,000 ton bulk sample averaging 3.7% copper at a rate of about 450 tons per day to the Copper Rand mill in the fourth quarter. Corner Bay is expected to begin generating significant cash to Nuinsco's account after Campbell recovers its development costs, likely in late 2008. As discussed above, Corner Bay is a robust deposit with exploration upside remaining at depth that will be evaluated as mining of Corner Bay proceeds.

Victory Nickel

The market for nickel is expected to remain robust for the foreseeable future. With over 660 million pounds of in-situ nickel in National Instrument 43-101-compliant measured (154 million pounds) and indicated (511 million pounds) resources at the Minago, Mel and Lac Rocher sulphide nickel projects, and an additional 530 million pounds of in-situ nickel in inferred resources, Victory Nickel is well positioned to take advantage of the worldwide shortage of sulphide nickel assets with near-term production potential. Victory Nickel is aggressively advancing all three projects, and evaluating additional opportunities to expand nickel resources and production potential. Current programs on the three projects include:

Minago

Completion of the definitive feasibility study on the open pit portion of the deposit by Wardrop remains a focus for Victory Nickel. Wardrop is moving ahead rapidly with all aspects of the definitive feasibility study, and Victory Nickel is very pleased with progress made to date. All drilling necessary for the study, including resource, metallurgical, geotechnical and hydrogeological, is complete, and metallurgical testing, frac sand testing, permitting and community relations activities are ongoing and moving ahead as expected.

In addition, Victory Nickel has completed airborne geophysics over the North Limb to identify exploration targets that are expected to be drilled this winter in this highly prospective area to the north of the Minago deposit. Past drilling in the North Limb has returned results similar to those in the Minago deposit over a known strike length of approximately two kilometres, and this area could potentially be an extension of the Minago deposit.

Mel

The Mel deposit has a National Instrument 43-101-compliant indicated resource of 4.3 million tonnes grading 0.88% nickel (approximately 83 million pounds in-situ nickel) and an additional inferred resource of 1.0 million tonnes grading 0.839% nickel (approximately 19 million pounds in-situ nickel). This near-surface resource, along with a stipulation in the option agreement that joint venture partner CVRD Inco Limited ("CVRD Inco") shall mill ore mined from the Mel deposit at cost plus 5% (provided that the product meets CVRD Inco specifications and that CVRD Inco has sufficient mill capacity), makes near-term nickel production from the Mel deposit a possibility that Victory Nickel is currently evaluating.

Lac Rocher

Victory Nickel is in the process of evaluating the potential to begin an underground exploration and bulk sampling program to evaluate ore continuity and provide further metallurgical evaluation in 2008. Roche Consulting Engineering is completing a preliminary economic assessment of two phases of mining. Phase I would encompass extracting a 50,000 tonne bulk sample grading approximately 4% nickel, with Phase II mining 400,000 tonnes grading 1.2% nickel. Metallurgical testing is underway, as is a revised resource estimate, and results of both are expected before year end.

Based on the Company's recent share price, and given the strength of the Minago, Mel and Lac Rocher projects, management recognizes that Victory Nickel's assets remain significantly undervalued by the market, and is committed to realizing full value on behalf of all shareholders.

RISKS AND UNCERTAINTIES

The Company is always at risk of losing its experienced mineral industry management, directors and consultants as it is very reliant on key personnel. However, the long history of the Company indicates that to date, it has been able to survive the many risk factors inherent in the industry.

The Company has no significant exposure to environmental or health risks, although this will change as the Company's projects approach production (a normal characteristic of mineral industry projects).

The Company experiences the normal safety risks associated with exploration field, and diamond drilling. The Company carries insurance for such risk but is protected primarily by the insurance carried by the Contractors who carry out such work. Safe practices are mandated by the Company for all its work.

The Company has always only worked in Canada until 2004. The economic and political conditions have therefore been reasonably predictable.

In 2004, the Company initiated exploration work in Turkey. While the Company believes that the country risk factors of working in Turkey are very acceptable, most investors would attribute a higher risk factor to work in Turkey versus work in Canada.

The cyclical nature of metal markets creates large variation in the Company's ability to raise the risk capital required for its exploration initiatives. This risk is managed by designing the Company's exploration commitments and progress to its financial capability.

FORWARD LOOKING STATEMENTS

These consolidated financial statements and management's discussion and analysis contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate," "believe," "expect," "goal," "plan," "intend," "estimate," "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

November 9, 2007